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BEFORE THE ARIZONA CORPORATION COMMISSION

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MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
SUNRISE WATER COMPANY FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PROPERTY AND FOR
AN INCREASE IN ITS WATER RATES AND
CHARGES FOR UTILITY SERVICES.

DOCKET NO. W-02069A-08-0406

RATE CASE
PROCEDURAL ORDER**BY THE COMMISSION:**

On August 1, 2008, Sunrise Water Company ("Sunrise" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On September 2, 2008, Staff filed a letter indicating the Company's rate application was sufficient. Although the letter did not state the class of the utility pursuant to A.A.C. R14-2-103, based on the revenues set forth in the application Sunrise is classified and as a Class B utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **May 11, 2009, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's Phoenix offices, Hearing Room 1, 1200 West Washington, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **May 8, 2009, at 10:00 a.m.**, at the Commission's Phoenix offices, for the purpose of scheduling witnesses and the conduct of the hearing.

IT IS FURTHER ORDERED that the **Staff Report and/or any testimony** and associated exhibits to be presented at hearing on behalf of Staff shall be reduced to writing and filed on or before **February 27, 2009.**

...

Arizona Corporation Commission

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1 IT IS FURTHER ORDERED that any **testimony and associated exhibits to be presented at**
2 **hearing on behalf of intervenors** shall be reduced to writing and filed on or before **February 27, 2009.**

3 IT IS FURTHER ORDERED that any **rebuttal testimony and associated exhibits to be**
4 **presented at hearing by Sunrise** shall be reduced to writing and filed on or before **March 27, 2009.**

5 IT IS FURTHER ORDERED that any **surrebuttal testimony and associated exhibits to be**
6 **presented by Staff or intervenors** shall be reduced to writing and filed on or before **April 17, 2009.**

7 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits to be**
8 **presented at the hearing on behalf of Sunrise** shall be reduced to writing and filed on or before
9 **May 1, 2009.**

10 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**
11 **filing is due, unless otherwise indicated above.**

12 IT IS FURTHER ORDERED that any **objections to testimony or exhibits that have been**
13 **prefiled as of May 1, 2009, shall be made before or at the May 8, 2009, pre-hearing conference.**

14 IT IS FURTHER ORDERED that **each party shall individually prepare, and bring to the**
15 **pre-hearing conference, copies of an issues matrix setting forth all disputed issues in the case.**
16 **Each party's matrix shall indicate the position of each party on each disputed issue and shall**
17 **indicate whether the disputed issue remains in dispute or has been resolved, in prefiled**
18 **testimony or otherwise.**

19 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which
20 lists the issues discussed.

21 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
22 prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed no
23 later than five calendar days before the witness is scheduled to testify. Substantive corrections,
24 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
25 the first day of hearing.

26 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the
27 prefiled testimony of each of their witnesses and shall file each summary at least two working days
28 before the witness is scheduled to testify.

1 IT IS FURTHER ORDERED that copies of summaries shall be served upon the
2 Administrative Law Judge, the Commissioners, and the Commissioners' aides as well as the parties
3 of record.

4 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
5 except that **all motions to intervene must be filed on or before February 16, 2009.**

6 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
7 regulations of the Commission, except that until **March 27, 2009**, any objection to discovery requests
8 shall be made within 7 calendar days of receipt¹ and responses to discovery requests shall be made
9 within 10 calendar days of receipt. Thereafter, objections to discovery requests shall be made within
10 5 calendar days and responses shall be made within 7 calendar days. The response time may be
11 extended by mutual agreement of the parties involved if the request requires an extensive compilation
12 effort.

13 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a
14 receiving party requests service to be made electronically, and the sending party has the technical
15 capability to provide service electronically, service to that party shall be made electronically.

16 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
17 discovery, any party seeking resolution of a discovery dispute may telephonically contact the
18 Commission's Hearing Division to request a date for a procedural hearing to resolve the discovery
19 dispute; that upon such a request, a procedural hearing will be convened as soon as practicable; and
20 that the party making such a request shall forthwith contact all other parties to advise them of the
21 hearing date and shall at the hearing provide a statement confirming that the other parties were
22 contacted.²

23 IT IS FURTHER ORDERED that any motions which are filed in this matter and which are
24 not ruled upon by the Commission within 20 calendar days of the filing date of the motion shall be
25 deemed denied.

26
27 ¹ The date of receipt of discovery requests is not counted as a calendar day, and requests received after 4:00 p.m. MST
will be considered as received the next business day.

28 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before
seeking Commission resolution of the controversy.

1 IT IS FURTHER ORDERED that any responses to motions shall be filed within five calendar
2 days of the filing date of the motion.

3 IT IS FURTHER ORDERED that any replies shall be filed within five calendar days of the
4 filing date of the response.

5 IT IS FURTHER ORDERED that the **Company shall provide public notice** of the hearing
6 in this matter, in the following form and style with the **heading in no less than 14 point bold type**
7 **and the body in no less than 10 point regular type:**

8 **PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF**
9 **SUNRISE WATER COMPANY FOR A DETERMINATION OF THE**
10 **CURRENT FAIR VALUE OF ITS UTILITY PROPERTY AND FOR AN**
11 **INCREASE IN ITS WATER RATES AND CHARGES**
12 **(Docket No. W-02069A-08-0406)**

13 On August 1, 2008, Sunrise Water Company ("Sunrise" or "Company") filed an
14 application with the Arizona Corporation Commission ("Commission") for a
15 permanent base rate revenue increase of approximately \$285,932, or 22 percent over
16 current revenues. If the Company's proposal were to be adopted, a single-family
residential customer with a ¾ inch meter, and average monthly usage of 17,782
gallons, would experience a bill increase from \$73.86 to \$85.04 (17.84 percent). For
a residential customer with a 1 inch meter, and average monthly usage of 26,737
gallons, the monthly bill would increase from \$92.70 to \$111.41 (20.18 percent).
The actual percentage rate change for individual customers would vary depending
upon the type and quantity of service provided.

17 The Commission's Utilities Division Staff ("Staff") is in the process of auditing and
18 analyzing the application, and has not yet made any recommendations regarding
19 Sunrise's proposed rates. The Commission will determine the appropriate relief to be
20 granted based on the evidence presented by the parties. The Commission is not bound
by the proposals made by Sunrise, Staff, or any intervenors. Therefore, the final rates
approved by the Commission may be higher or lower than the rates requested by
Sunrise.

21 **How You Can View or Obtain a Copy of the Rate Proposal**

22 Copies of the application and proposed rates are available from Sunrise [COMPANY
23 INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket
Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection
during regular business hours and on the Internet via the Commission's website
(www.azcc.gov) using the e-Docket function.

24 **Arizona Corporation Commission Public Hearing Information**

25 **The Commission will hold a hearing on this matter beginning May 11, 2009, at**
26 **10:00 a.m., at the Commission's offices, Hearing Room #1, 1200 West Washington**
27 **Street, Phoenix, Arizona. Public comments will be taken on the first day of the**
28 **hearing. Written public comments may be submitted by mailing a letter referencing**
Docket No. W-02069A-08-0406 to Arizona Corporation Commission, Consumer
Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a
form to use and instructions on how to e-mail comments to the Commission, go to

1 http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf. If you require
 2 assistance, you may contact the Consumer Services Section at 602-542-4251 or
 3 1-800-222-7000.

4 About Intervention

5 The law provides for an open public hearing at which, under appropriate
 6 circumstances, interested parties may intervene. Any person or entity entitled by law
 7 to intervene and having a direct and substantial interest in the matter will be permitted
 8 to intervene. If you wish to intervene, you must file an original and 13 copies of a
 9 written motion to intervene with the Commission no later than **February 16, 2009**,
 10 and send a copy of the motion to Sunrise or its counsel and to all parties of record.
 11 Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and
 telephone number of any party upon whom service of documents is to be made,
 if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of
 Sunrise, a shareholder of Sunrise, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene
 to Sunrise or its counsel and to all parties of record in the case.

12 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
 13 that all motions to intervene must be filed on or before **February 16, 2009**. If
 14 representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme
 15 Court, intervention will be conditioned upon the intervenor obtaining counsel to
 16 represent the intervenor. For information about requesting intervention, visit the
 17 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.
 18 The granting of intervention, among other things, entitles a party to present sworn
 19 evidence at hearing and to cross-examine other witnesses. However, failure to
 20 intervene will not preclude any interested person or entity from appearing at the
 21 hearing and providing public comment on the application or from filing written
 22 comments in the record of the case.

23 ADA/Equal Access Information

24 The Commission does not discriminate on the basis of disability in admission to its
 25 public meetings. Persons with a disability may request a reasonable accommodation
 26 such as a sign language interpreter, as well as request this document in an alternative
 27 format, by contacting the ADA Coordinator, Linda Hogan, E-mail Lhogan@azcc.gov,
 28 voice phone number 602-542-3931. Requests should be made as early as possible to
 allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall **mail to each of its customers** a copy of
 the above notice as a bill insert beginning with the first billing cycle in **November 2008**, and shall
 cause the above notice to be **published at least once in a newspaper of general circulation** in its
 service territory, with publication to be completed no later than **November 30, 2008**.

IT IS FURTHER ORDERED that the Company shall file **certification of mailing and
 publication** as soon as practicable, but **not later than December 31, 2008**.

1 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
2 publication of same, notwithstanding the failure of an individual customer to read or receive the
3 notice.

4 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
5 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
6 *pro hac vice*.

7 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
8 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
9 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
10 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
11 matter is scheduled for discussion, unless counsel has previously been granted permission to
12 withdraw by the Administrative Law Judge or the Commission.

13 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
14 Communications) applies to this proceeding and shall remain in effect until the Commission's
15 Decision in this matter is final and non-appealable.

16 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
17 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

18 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
19 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

20 Dated this 8th day of September, 2008.

21
22 
23 DWIGHT D. NODES
24 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

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27 ...
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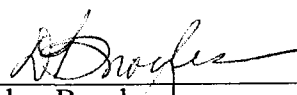
1 Copies of the foregoing mailed/delivered
2 this 8th day of September, 2008 to:

3 Craig Marks
4 CRAIG A. MARKS, P.C.
5 10645 North Tatum Blvd., Suite 200-676
6 Phoenix, Arizona 85028
7 Attorney for Sunrise Water Company

8 Janice Alward, Chief Counsel
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ernest Johnson, Director
14 Utilities Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 ARIZONA REPORTING SERVICE, INC.
19 2200 North Central Avenue, Suite 502
20 Phoenix, AZ 85004-1481

21 By: 
22 Debra Broyles
23 Secretary to Dwight D. Nodes
24
25
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27
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